

**OVERTON MUNICIPAL DEVELOPMENT DISTRICT MEETING
April 16, 2015**

MINUTES OF OVERTON MUNICIPAL DEVELOPMENT DISTRICT SPECIAL CALLED MEETING OF THE CITY OF OVERTON, TEXAS THAT WAS HELD ON **APRIL 16, 2015** AT 6:30 P.M. AT CITY HALL, 1200 SOUTH COMMERCE ST., OVERTON, TEXAS.

PRESENT:

Bob Heath
Mike Piercy
Joel Kerby
Jimmy Jennings
David Stone

ABSENT:

Also in attendance was Charles Cunningham, City Manager.

I. CALL TO ORDER - The meeting was called to order by Chairman Heath at 6:30 P.M.

1. The invocation was led by Director Mike Piercy.
2. The pledge was led by Chairman Bob Heath.

II. APPROVAL OF MINUTES

1. Board to review and make possible corrections to minutes of the Board meeting held on **March 12, 2015.**
2. Board to review and make possible corrections to minutes of the Board meeting held on **March 23, 2015.**

A motion was made by Chairman Heath to approve the minutes as presented, for both meetings. The motion was seconded by Jimmy Jennings. The motion carried 5-0.

III. FINANCIAL REPORT

1. Presentation of Monthly Financial Report for period ending March 31, 2015.

City Manager Cunningham made a brief presentation to review the financial transactions occurring during the month of March. He noted specifically that an additional \$9,500 dollar payment was made as a debt payment against the \$95,000 Promissory Note owed to the OMDD by the City. The additional payment was to correct a misapplied payment to OEDC.

No action was necessary and none taken.

IV. OLD BUSINESS (Consider and/or action)

1. REVIEW AND DISCUSS STATUS OF PROJECTS BEING FUNDED BY OMDD.

City Manager Cunningham reviewed the status of four CIP Projects currently being financed by grants to the City from the OMDD noting that 3 of the 4 are under contract and work being performed by the Contractors. The fourth project (Replacement of flooring at the Community Center is waiting for an assessment by an asbestos abatement contractor to determine the scope of an abatement process if one is needed. The 5th project being funded from a loan to the City is also underway but progress is being impeded by the weather.

No action was necessary and none taken.

2. REVIEW, DISCUSS AND CONSIDER FOR ACTION A PROMISSORY NOTE BY THE CITY OF OVERTON IN THE AMOUNT OF \$50,000 THAT FUNDED IMPROVEMENTS TO THE WATER STORAGE TANK AT WELL # 5 ON AUGUST 22, 2013.

City Manager Cunningham stated that the purpose of this item on the agenda was to formalize a loan of \$50,000 from the OMDD to the City that was made in February 2013. He said, that staff was unable to find the Loan document nor any formal reference to it in Council minutes nor OMMD meeting minutes. He further stated that in searching for a copy of the newly made Promissory Note, on his computer's hard drive, the original executed Promissory note was found.

Due to the fact that the original NOTE had been found and the payments made to catch the City up on its debt obligations, there was no longer a need to consider this item on the agenda.

No action was necessary and none taken.

3. PRESENTATION OF EXECUTED COPY OF PROMISSORY NOTE IN THE AMOUNT OF \$100,000 AS AGREED TO AND EXECUTED BY THE CITY COUNCIL OF THE CITY OF OVERTON, TEXAS.

City Manager Cunningham stated that the purpose of this item on the agenda was to demonstrate that the City Council had in fact executed the new Promissory Note for \$100,000 as shown in Exhibit A.

No action was necessary and none taken.

V. NEW BUSINESS (Consider and/or action)

1. REVIEW, DISCUSS, CONSIDER AND PROVIDE STAFF DIRECTION ON THE BOARDS INTEREST IN EITHER RENOVATING THE EXISTING SWIMMING POOL OR CONVERTING IT TO ANOTHER RECREATIONAL WATER USE OR ABANDONING IT ALTOGETHER.

City Manager Cunningham presented some optional actions the Board might take to inform the Council of its (the Boards) interest in providing funding to

keep the pool in operation. Chairman Heath commented that he felt it was not the proper role of the Board to recommend to the Council what it should do with the pool but rather once the Council decided on what it wanted to do with it, the Board would provide input on what their level of financial support could be.

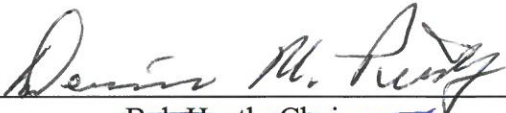
Various approaches were discussed on how and by whom the options could be framed. Among these was the suggestion that perhaps a joint session of the City Council and OMDD Board could be scheduled to discuss the issue as well as what may be done to increase occupancy of the RV Park.

Vice Chairman / Secretary Piercy made a motion to have the City Manager schedule a Special Called Joint Meeting of the City Council and Overton Municipal Development District Board as soon as feasibly possible to discuss the future uses and possible improvements that may be made to the swimming pool and RV Park. The motion was seconded by Jimmy Jennings and passed with a vote of 5-0.

2. ADJOURNMENT

With no further business, Chairman Heath adjourned the meeting at 7:25 P. M.

Minutes submitted and approved this 14th day of MAY.



Bob Heath, Chairman

DENNIS M Piercy, Acting Chair

Attested by:

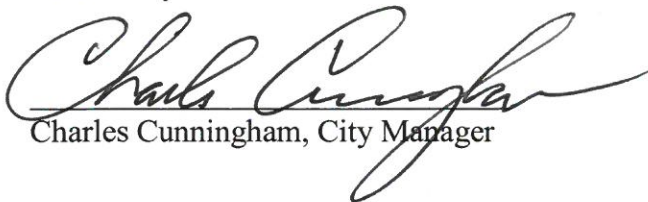

Charles Cunningham, City Manager



EXHIBIT A

PROMISSORY NOTE

DATE AND PARTIES. The date of this Promissory Note (NOTE) is March 23, 2015.

The parties and their addresses are:

LENDER:

Overton Municipal Development District ("OMDD")
1200 S. Commerce Street
OVERTON, TX 75684

BORROWER:

CITY OF OVERTON ("City")
a Texas Local Government Agency
DRAWER D
OVERTON, TX 75684

Note Date	Note Number	Note Amount
March 23, 2015	# 000003	\$100,000.00

PROMISE TO PAY - For value received, City promises to pay OMDD, at OMDD's address, or at such other location as OMDD may designate, the principal sum of \$100,000.00 until this Note matures or this obligation is accelerated.

PAYMENT - City agrees to pay this Note in a total of ten (10) installments of \$ 10,000.00 each beginning March 23, 2016, and on the same date each year for ten more years thereafter.

PREPAYMENT - This Loan may be prepaid in full or in part at any time. Any partial prepayment will not excuse any later scheduled payments until the NOTE is paid in full.

LOAN PURPOSE- The purpose of this Loan was to finance replacement of 1,700 feet of 10" clay sewer pipe with a 15" PVC Pipe.

INTEREST AND SECURITY- The NOTE is considered an unsecured, no interest loan.

WARRANTIES AND REPRESENTATIONS - The signatories warrant that they have the right and authority to enter into this NOTE. The execution and delivery of this NOTE will not violate any agreement governing the City or to which it is a party.

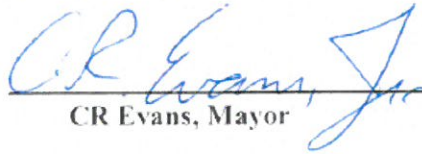
APPLICABLE LAW. This NOTE is governed by the laws of the State of Texas and the United States of America, except to the extent such state laws are preempted by federal law.

THIS WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND, TO THE EXTENT PERMITTED BY LAW, MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT VERBAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN VERBAL AGREEMENTS BETWEEN THE PARTIES.

SIGNATURES. By signing, The City agrees to the terms contained in this is NOTE and acknowledges receipt of a copy of this NOTE.

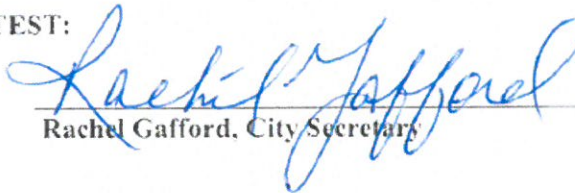
FOR CITY OF OVERTON:

BY


CR Evans, Mayor



ATTEST:


Rachel Gafford, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Blake Thompson, City Attorney